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COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

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CHARLES W. CARRY
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June 6, 1997
File No: 99-9114.19.45

Ms. Lois J. Schiffer, Esquire
Assistant Attorney General
Environmental & Natural Resources Division
United States Department of Justice
P.O. Box 7611
Washington, D.C. 20044

Dear Ms. Schiffer:

United States of America, et al. V. Montrose Chemical Corporation of
California, et al., USDC Case No. 90-3122 AAH,
DOJ Ref. #90-11-3-159 and DOJ Ref. #90-11-3-511

The County Sanitation Districts of Los Angeles County ("LACSD") are writing to support the proposed Consent Decree in the above case which was lodged with the United States District Court for the Central District of California on March 25, 1997. We urge the Department of Justice to move quickly for entry of the Consent Decree.

This case has been pending for seven years. While there have been numerous studies and considerable discovery in this case, it appears that much is and always will be disputed. This includes factual and legal disputes over the applicability of the statute, whether there are injuries, what the injuries are, what the damages are and how they should be measured, the scope of the NPL site, what is the appropriate EPA-selected response, whether various parties are liable and what their allocations/contribution toward remediation and restoration should be. These fundamental disputes and the uncertainties and risks of litigation invite settlement. The Court appointed a Special Master to facilitate settlements where parties were willing to settle. LACSD and the 150 other third-party municipal defendants who were dragged into this litigation by the non-settling industrial defendants are such parties. While LACSD and the other settlers dispute any liability, we note that there are public benefits to settlement, whereby funds are used for environmental response and restoration, instead of litigation.

LACSD believes the proposed Consent Decree meets the standards for reasonableness and fairness and is consistent with the purposes that CERCLA was intended to serve. In the context of settlement, the governments have provided their current estimate of total potential damages. The costs of remediation and damages should be borne by the industrial defendants. The conditions at issue are the result of the non-settling industrial defendants' releases of "DDT" and "PCBs." The amounts to be paid by the local

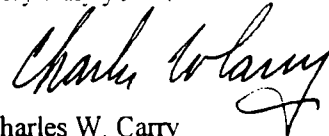
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governments is arguably more than fair given their role. The settlement resolves the liability of LACSD and the 150 other third-party municipal defendants. The proposed Consent Decree would also allow the federal and state governments to begin using the \$45,700,000 in settlement payments for natural resource damages compensation and Palos Verdes Shelf response costs.

LACSD's interest in seeing that the settlement money is used to address the DDT and PCB contamination on the Palos Verdes Shelf is consistent with its past efforts in seeing that the environmental conditions are adequately addressed. Over the last two decades, LACSD was the only organization that had a sustained effort to assess the impacts on the ocean bottom off the Palos Verdes Peninsula. After determining the probable sources of DDT and PCBs (i.e., Montrose Chemical, Potlatch Corporation and Simpson Paper Company), LACSD also took the lead in abating any further releases into its sewer system.

Consistent with their prior arguments, the non-settling industrial defendants will contend that it is premature to settle with LACSD and the other local governmental entities at this time and that this settlement is unfair to them. However, as noted above, there will never be agreement on the issues. All parties, settlors and non-settlors alike, have had seven years to settle, including an opportunity to settle on the basis of the total figures in the proposed decree. Taking into account relevant factors, including the industrial parties' role in disposal, LACSD's innocent involvement in the subject releases, and the fact that LACSD has actively cooperated with respect to the contamination, the proposed settlement payment more than meets the requirements for fairness and reasonableness and meets CERCLA's purposes, and the Decree should be submitted to the Court for entry without delay.

Very truly yours,



Charles W. Carry

CWC:RWH:ea